

If it should be thought hereafter that further modifications are expedient, your Committee suggest that communications should be entered into with the other House, so as to secure as far as possible uniformity in the code of the two Houses with regard to the matter in question.

Your Committee recommend that a new Standing Order be substituted for No. 128, in the following terms:—

128. A clause shall be inserted in every Railway Bill prohibiting the payment of any interest or dividend out of any capital which the company have been or may be authorized to raise, either by means of calls or of any other power of borrowing, to any shareholder on the amount of the calls made in respect of the shares held by him, except such interest on money advanced by any shareholder beyond the amount of the calls actually made as is in conformity with "The Companies Clauses Consolidation Act, 1845," or "The Companies Clauses Consolidation (Scotland) Act, 1845," as the case may be, and except such interest (if any) as the Committee on the Bill may, according to the circumstances of the case, think fit to allow, subject always to the following conditions:—

- (1.) That the rate of interest allowed by the Committee do not in any case exceed four per centum per annum;
- (2.) That interest be allowed to be paid in respect only of the time allowed by the Bill for the completion of the railway, or such less time as the Committee think fit;
- (3.) That payment of interest be not allowed to begin until the railway company have obtained a certificate of the Board of Trade to the effect that two-thirds at least of the share-capital authorized by the Bill in respect whereof interest may be paid have been actually issued and accepted, and are held by shareholders who, or whose executors, administrators, successors, or assigns, are legally liable for the same;
- (4.) That interest do not accrue in favour of any shareholder for any time during which any call on any of his shares is in arrear;
- (5.) That the aggregate amount to be so paid for interest be estimated and stated in the Bill, and be not deemed capital within Standing Order 112;
- (6.) That notice of the company having power so to pay interest out of capital be given in every prospectus, advertisement, or other document of the company inviting subscriptions for shares, and in every certificate of shares; and
- (7.) That the half-yearly accounts of the company do show the amount on which and the rate at which interest has been paid:

And the company shall be authorized by the Bill to pay interest accordingly, but not further or otherwise.

If in any case the Committee on the Bill do not think fit to allow any such interest, then there shall be inserted in the Bill provisions making liable to penalties, recoverable summarily, any director or officer of the company who shall, directly or indirectly, pay or procure to be paid any interest or dividend prohibited as aforesaid, and making illegal and void any contract entered into by the company or the directors thereof or any of them under which payment of any interest or dividend prohibited as aforesaid shall be, directly or indirectly, provided for.

The Bill shall not be reported by the Committee until there has been laid before them a report from the Board of Trade respecting any proposed payment of interest; and the Committee shall report specially to the House in what manner they have dealt with the recommendations or observations in the report of the Board of Trade.

The Committee have directed the minutes of the evidence taken before them to be laid before your Lordships.

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